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NEWS RELEASE

**FOR IMMEDIATE RELEASE
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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Blanche L. Cordes, age 80, of Hampton, Virginia, was sentenced yesterday in United States District Court in Norfolk. The Honorable Rebecca Beach Smith sentenced Cordes to 18 months imprisonment and ordered her to pay restitution in the amount of \$295,790.20 to the Internal Revenue Service.

On November 10, 2004, Ms. Cordes waived indictment by a grand jury and entered a plea of guilty to a criminal information charging her with filing a false tax return. Ms. Cordes had been employed at Forrest & Markos, an accounting firm located in Newport News, Virginia, where she performed accounting, bookkeeping and tax preparation services for firm clients. The firm provided accounting related services for Sanitary Engineering, Inc. (SEI).

Dating back at least as far as 1998, Blanche Cordes misappropriated SEI company funds by writing out SEI company checks to herself for "cash" and negotiating corporate checks without the authority of SEI. Between the years 1998 and 2003, Cordes appropriated approximately \$960,570.00 in SEI funds and failed to report the taxable income from those funds on her tax returns. The total tax due and owing for 1998 through 2003 is \$216,097.20.

The investigation was conducted by the Criminal Investigation Division of the Internal Revenue Service and the United States Secret Service. Assistant United States Attorney Howard J. Zlotnick prosecuted the case for the United States.

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